

Speech: Exchequer Secretary speech: NatWest everywoman Awards 2018

Good afternoon

It is a pleasure to be here this afternoon.

As a Member of Parliament, I'm not used to speaking before an audience that is 90% female! Perhaps the House of Commons will more closely resemble this room one day.

The UK is virtually unrivalled as a place to start and grow a business.

Today there are nearly six million of them, a 25 per cent more than just 8 years ago.

And behind every business is a story worth knowing,

Shops, restaurants, consultants, gyms...

These do not come out of nowhere

These are the product of hard work, determination, perseverance- often against considerable odds, and personal courage.

I know what that means.

I've watched as my parents mortgage our home and set up a business on the kitchen table. And I've built a business myself.

I appreciate the hard work, the determination and the personal courage it takes to be an entrepreneur and I admire the path you've chosen to take.

No one can look around this room and not be optimistic about the future of this country.

You have taken risks, pursued ideas, created jobs and wealth, for yourselves and for other.

But we have work to do,

Shockingly, only one-fifth of these businesses are run by women – even though there are almost one million more women than men living in the UK.

And men are twice as likely as women to be entrepreneurs.

Those women who do start a business find it more difficult than their male counterparts to raise finance.

Last year we commissioned the British Business Bank to analyse female

founders' access to VC finance.

The full findings will be published shortly, but it is clear that too little VC funding goes to female-led businesses, too few senior people on UK VC investments teams are women and almost half investment teams have no women at all.

In the long term, the 'risk' these firms take is of becoming out of touch and uncompetitive in tomorrow's marketplace.

It's time to change this.

Just as having more women in work turned out to increase wages and productivity for everyone, increasing the number of female entrepreneurs will be a rising tide that lifts all boats.

The best estimates suggest that we may be missing out on more than a million new enterprises and billions of pounds of economic activity...

...not to mention new inventions and innovations that would improve our lives.

Two years ago, the Treasury published the Women in Finance Charter to encourage financial firms to prepare female talent for leadership positions.

To date over 270 firms have signed up.

This is a great start, but I want us to do more.

This summer we commissioned Alison Rose to lead a review into the challenges that women face in starting and growing their own business.

Alison is a great business leader- and one who is known to champion women in her organisation and female entrepreneurs across the country.

Alison's work will help us understand how we can assist women in all sectors and all parts of the country to realise their dream of becoming an entrepreneur.

I want Britain to be the best place on the planet to start a business.

But to cultivate the go-getting, enterprise culture that we need, we must do everything we can to empower potential female entrepreneurs.

Part of that is to celebrate success.

To raise up the heroines of female entrepreneurship as an example to others.

That's why it's so great to be here today at the Natwest Everywoman Awards, as we mark the great achievements of so many extraordinary women.

To all the winners, and all the nominees, I want to say congratulations.

Our economy and society would not be what it is without you.

You are the best of us.

We cannot afford to leave anyone behind who wants to be a part of Britain's bright business future.

Good ideas should be able to thrive, no matter whose they are, and when both female and male entrepreneurs succeed in business, we all win.

As a Treasury Minister, making long-term forecasts is a risky business.

But one I am confident of, is that ensuring women become entrepreneurs and that female entrepreneurs succeed on a par with men, is the greatest economic opportunity of 21st century.

We're living through a period in which there is a degree of pessimism about the future, and our politics can seem broken.

And pessimism can become a self-fulfilling prophecy. It can make success impossible.

But the optimism and ambition in this room is palpable and contagious. You can persuade and inspire others to live the enterprising lives you do.

In life no one remembers the naysayers,

Only the builders, the creators, the do-ers.

That's you.

Keep doing what you're doing.

Thank you.

News story: Regulatory alert issued to charitable think tanks

This alert has been issued to remind trustees of their legal obligations and duties

News story: Regulatory alert issued to

charitable think tanks

Think tanks have an important role in society helping to educate the public. Society is richer when it is challenged with new ways of thinking and when debate is stimulated. However, think tanks which are charitable must operate and behave as charities.

Charitable status is important and means something in the eyes of the public. It allows certain freedoms and benefits, including tax reliefs. But it also places important limits on charities to ensure that they are operating in furtherance of their purposes, and for the public benefit.

We want charity to thrive and to inspire trust. For it to do so we must ensure that trustees of charitable think tanks are clear on their legal duties and are operating in line with them.

The advice was issued to charitable think tanks today (7 December 2018) to remind trustees of those legal duties.

Our Chief Executive Officer, Helen Stephenson CBE, also [issued a letter to charitable think tanks](#) (PDF, 195KB, 1 page) alongside the advice below.

Understanding the charity's objects

In general terms the object of most think tanks is to advance education for the public benefit. Therefore any research published or other activity undertaken must:

- have sufficient value in educational terms
- further the charity's purposes
- be available (either directly or indirectly) to the public, or a sufficient section of the public
- present the public with information that permits them to form their own opinions
- be educational in the way understood by charity law

Education does not have to be entirely neutral; it can start from a generally accepted position that something is beneficial. A charity can therefore promote uncontroversial views and perspectives.

Outputs in furtherance of the objects (research, web articles, seminars and so on)

What is acceptable

The purpose is to educate the public. It is balanced and neutral and allows the individual to form their own view.

The researchers are not linked to a particular view or opinion.

The arguments and conclusions are based on an objective analysis of evidence/data.

It is balanced and presents and explores both sides and a range of options. It is clear what process and criteria were used to achieve this.

It does not promote a specific policy unless that policy furthers the education purposes of the charity.

At events, several people with a range of views on a topic each address the audience.

What is not acceptable

The purpose is to achieve a change in the law or policy which would not advance the charity's educational purposes. It is not neutral and presents the individual with biased and selective information in support of a preconceived point of view.

The researchers are linked to a particular view or opinion which suggests bias.

The arguments and conclusions are based on opinion and supposition.

It is not balanced and only explores one side of the argument.

It is designed to promote a specific policy and is really seeking to achieve a political outcome and risks being used as a political vehicle.

At events, the audience is only addressed by people with the same views on a topic.

Our advice

The trustees must ensure that the charity's outputs (research reports, articles, seminars and so on) are balanced and neutral, and that there are robust processes and procedures in place that can provide assurance on how the charity ensures this is the case.

Having control of your charity

The trustees are ultimately responsible for the charity's activities, even if the work has been delegated to staff. This includes:

- the selection of research topics, articles for publication and topics for seminars or conferences
- the promotion of published research through launch events and promotional material, such as press releases
- the charity's website and use of social media

The trustees need to have appropriate processes and procedures in place to ensure they are adequately informed and are fully in control of the charity.

From our casework with think tanks, the trustees need particularly to think about the following:

- do you have a full grasp of the activities being carried out by the

charity, including its use of social media?

- are there suitable controls and reporting arrangements in place to ensure you have oversight of all matters delegated to staff, including the choice of research topics?
- do you periodically review what the charity is achieving, and how effective the charity's activities are?
- is there a process for you to sign-off reports that are likely to be controversial or generate significant publicity (together with the communication and launch plan) to ensure that they comply with legal and regulatory requirements?

Our advice

Operating effective control over the charity's activities is a vital part of your compliance with your legal duties. Trustees must have appropriate and proportionate oversight of all the charity's activities to ensure that those activities are compliant with the law and the charity's governing document.

Protecting the charity's reputation

The trustees should have effective and appropriate systems in place to identify and manage the key reputational risks the charity may face from its work. These are likely to vary according to the nature of the activity. The charity's reputation is a key asset of the charity, they must avoid exposing it to undue risk.

Some of the risk areas that we have particularly identified from our casework with think tanks are set out below.

What the trustees need to think about, does the charity have:

- appropriate policies and procedures in place, including a social media policy, so that staff are aware of what is and is not acceptable?
- clear guidelines on appropriate sources of funding and processes for carrying out proper due diligence on individuals and organisations that give money to the charity?
- rules and boundaries within which the CEO and staff must work, including when representing or speaking on behalf of the charity?
- a process to identify and assess risks in respect of significant outputs, such as the publication of research or the holding of a high

profile event? Is consideration given to how it will be perceived by other people, including the general public?

- when working with politicians, a process to ensure the charity remains independent and will not be associated in the public's mind with a particular political party?
- when working with funders, a process to ensure the charity remains independent and that sources of funding will not compromise the charity's independence in the public's mind and that any activities are seen to be in the charity's best interests, rather than that of any funder

Our advice

Trustees must manage their charity's resources responsibly, including protecting and safeguarding its reputation. This risk can often be higher for charities operating on high profile, emotive subjects – trustees must take particular care to ensure they can demonstrate their independence.

Avoiding unacceptable political activity

Campaigning and political activity (but not party political activity) can be carried out in furtherance of the charitable objects and in line with our [guidance on campaigning and political activity \(CC9\)](#).

All such activity must further or support the charity's objects and must not be party political. Think tanks are generally established for educational purposes in which case any campaigning or political activity would have to further those educational purposes.

The charity must be politically neutral. It must be careful not to support, or appear to support, a political party. Particular care must be taken when inviting politicians to events or to take part in debates and the perception this may give to the public.

If the charity consistently works only with one political party, this will call into question whether it is politically neutral. The trustees should be alert to the risk that a political party or pressure group could exploit the charity for its own benefit.

Any research or activity would not be permissible if:

- its purpose is to change the law or change policy, rather than educate
- its purpose is (in essence) political, party political or propagandist
- its purpose is to seek a change to the law or the policy of government or other public body (see CC9 guidance) and it does not further or support the charity's objects

Some charities seek to disclaim responsibility for political opinions

expressed by reports by claiming that the opinions published are not those of the charity but are of the individual authors of the report. If the authors are employees of the charity then the views expressed will be considered to be the views of the charity.

Special care must be taken if any researchers employed by the charity are well known for their political persuasion. The trustees will need to be convinced on reasonable grounds that the researchers will conduct the research objectively and honestly.

They must also be mindful of public perception that the research has not been conducted from a neutral position damaging the charity's reputation. It is one of the trustees' duties to make sure that the charity's publications do not become used as political vehicles.

Our advice

The trustees should familiarise themselves with the [CC9 guidance on campaigning and political activity](#). Any campaigning or political activity carried out by the charity must accord with CC9 and be in pursuit of solely their educational purposes.

The charity must guard its independence and ensure it is not associated with a particular political party.

The trustees must not allow their own political allegiances to dictate the choice of research topic or event and so on.

The charity must be open and transparent about any engagement it has with politicians.

Notes

The Charity Commission, the independent regulator of charities in England and Wales, has issued this alert to charitable think tanks as regulatory advice under section 15(2) of the Charities Act 2011.

[Press release: Charity taking steps to regularise its governance following Charity Commission inquiry](#)

A charity set up to relieve poverty in developing countries is improving its governance following intervention by the Charity Commission.

Press release: Charity taking steps to regularise its governance following Charity Commission inquiry

The Charity Commission has today [published a report](#) of its inquiry into The Great Generation, which works to help achieve the UN's sustainable development goals in various countries around the world.

The Commission opened the investigation in January 2018 after the charity's repeated failure to fulfil their legal reporting obligations on time, and concerns that the charity's governance was inadequate due to it being run by a sole trustee, contravening the charity's governing document.

The inquiry was opened to examine a range of regulatory issues related to the governance and management of the charity.

The report details failings which amounted to mismanagement on the part of the charity's sole trustee. However, the Commission found that there were mitigating factors involved.

Whilst the report is critical of the trustee for failing to regularise the charity's banking arrangements, the investigation found that ongoing issues with the charity's banking provider was the main contributory factor in the charity failing to meet its reporting requirements.

The inquiry established that due to having only a sole trustee, conflicts of interest could not be adequately managed, but found no evidence that charitable funds were misapplied or misappropriated.

During the course of its inquiry, the Commission used its powers to freeze the charity's bank account; that step was lifted almost immediately once the regulator was reassured that the charity's assets were not at risk and notes that the sole trustee fully cooperated with the inquiry.

The Commission has issued the charity with an action plan requiring the trustee to address the weaknesses in its governance, particularly the necessity to appoint new independent trustees, a need the charity had highlighted in its annual reports. The Commission will monitor the charity's compliance with the action plan and will take further regulatory steps if the charity fails to fully comply with the actions within the specified timeframes.

Harvey Grenville, Head of Investigations and Enforcement at the Charity Commission, says:

Charity trustees have an important legal duty to ensure that their charity is governed and managed adequately. This includes recruiting sufficient trustees to the charity and keeping clear accounting records that can evidence exactly where charity funds have gone. Transparent reporting in this way is crucial for maintaining public trust and confidence in charities.

While we are critical of the sole trustee for past failings, we recognise steps being taken to improve the charity's governance and return its financial arrangements to a secure footing.

The Commission is reminding charities that charity trustees must ensure that they prepare annual reports on what it has been achieved, and maintain accounting records as required by charity law.

Failure to do so will result in the Commission exercising its powers to ensure that this legal requirement is adhered to.

The Commission's [full report](#) of its inquiry is available on GOV.UK.

Ends

Notes to editors

1. [The Charity Commission](#) is the independent regulator of charities in England and Wales. To find out more about our work, see our [annual report](#).
2. Search for charities on our [online register](#).
3. The Commission's inquiry into The Great Generation opened in January 2018 and concluded with the publication of the report on 7 December 2018.